Production of eco-friendly vehicles

2603. SHRI NARESH GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) what steps Government proposes to take to encourage the production of eco-friendly vehicles in view of the high level of pollution in the metros; and

(b) whether there are any plans to offer fiscal incentives for production of electric cars in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) In order to encourage the production of eco-friendly vehicles in the country, excise duty on electric cars and their six specified inputs was fully exempted in budget 2008-09. At the post budget stage (2008-09), in response to requests made by various trade and Industry associations, all other electric vehicles were also fully exempted from excise duty. Further, in budget 2008-09, the excise duty on hybrid cars was reduced from 24% *ad-valorem* to 14% ad-valorem. The excise duty on hybrid cars was further reduced to 10% on 7.12.2008 and then again to 8% on 24.2.09. All the above concessions have been continued in 2009-10. Government is also implementing a scheme for Central Financial Assistance by providing 33% of the cost of indigenously manufactured electric vehicles (with specified ceiling amounts) for supporting research, development and demonstration projects at academic institutions, Government undertakings, societies, industries etc.

RBI's warning on fake notes

2604. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently Reserve Bank of India (RBI) issued warning about circulation of counterfeit currency notes of thousand rupees denomination;

(b) if so, the details thereof indicating the input based on which RBI issued the warning indicating the volume of fake currency notes detected in the case;

(c) the actions initiated, if any, at the instance of RBI to endeavour for mapping out the extent of fake currency notes of such higher denomination in the country; and

(d) the findings of investigation carried out, if any, into the source of flow of fake currency notes in this case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) Yes, Sir. RBI has issued a circular to the Forged Note Vigilance Cells of the banks to alert them and to ensure the use of Note Sorting Machines invariably so that such notes when received are pulled out of circulation/seized.

(b) Anti Terrorist Squad (ATS), Mumbai had reported seizure of 345 counterfeit notes of Rs.1000 denomination in the series 2AQ and 8 AC bearing the signature of Dr.Y.V. Reddy and provided some samples from the seizure. In view of this, the action at (a) above was initiated.

(c) and (d) At the instance of Reserve Bank, State Level Committees to deal with forged notes and circulation thereof have been formed under the Chairmanship of the Director General of Police in all the States. Similarly, District Level Committees under the Chairmanship of District Collector/SP